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C O N F I D E N T I A L SECTION 01 OF 03 SINGAPORE 001788

SIPDIS

STATE FOR DEPUTY SECRETARY ZOELLICK

E.O. 12958: DECL: 05/10/2015

TAGS: OVIP PREL PGOV ECON SN SUBJECT: DEPUTY SECRETARY ZOELLICK'S MAY 10 MEETING WITH SENIOR MINISTER GOH CHOK TONG

REF: SINGAPORE 910

- (U) Classified by: Ambassador Franklin L. Lavin. Reason 1.4(d)
- 12. (U) Date Time and Place: May 10, 2005, 12:30PM, Istana, Singapore
- 13. (U) Participants:

U.S.

The Deputy Secretary Ambassador Franklin Lavin DAS Marie Huhtala, EAP D Executive Assistant Ross Wilson Chris Kavanagh (Embassy Notetaker)

Singapore

Senior Minister Goh Chok Tong Minister of Defense Teo Chee Hean Second Minister for Trade and Industry Vivian Balakrishnan MFA Second Permanent Secretary Bilahari Kausikan MFA Notetaker Lee Chong Hock

14. (C) Summary: During their May 10 meeting, Senior Minister Goh Chok Tong and the Deputy Secretary discussed developments in the Middle East, the Asia-Middle East Dialogue, and Goh's interest in encouraging moderate Muslims to fight terrorism at the ideological level. Goh noted that Islam had gained a greater role in the political arena in Malaysia, which was a concern for the long-term. Turning to Indonesia, SM Goh thought it had its best leadership team since Suharto, but its revival would depend on President Yudhoyono's being decisive and acting quickly. The Deputy Secretary noted Malaysia and Indonesia's interest in enhancing maritime security. Commenting on China, SM Goh said its leadership was focused on promoting internal economic development. The danger point in cross-Strait relations had passed and President Chen Shui-bian had been boxed in by recent developments. End Summary.

## Asia-Middle East Dialogue

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- 15. (C) During their May 10 meeting, Senior Minister Goh Chok Tong briefed the Deputy Secretary on the Asia-Middle East Dialogue (AMED), which Singapore was sponsoring in June (Reftel). More than 30 countries had agreed to participate in the event and it would bring together both government and non-governmental organization leaders. Goh said his main goal was to encourage moderate Muslims in the Middle East to fight terrorism at the ideological level. Only Muslims could debunk the corruption of the Koran undertaken by extremists. The United States and Koran undertaken by extremists. The United States and other countries could help, but it was ultimately a fight Muslims must win themselves.
- (C) SM Goh said he was encouraged by the success of some Gulf States, such as Dubai and Qatar, in showing that observant Muslims could also have a modern economy. travel and people-to-people exchanges, especially from Saudi Arabia, were needed to change conservative mind sets. Economically, the Middle East had to diversify away from just oil. Politically, these countries had to implement reform at their own pace, with a nudge from the United States. The Deputy Secretary commented that the AMED was an excellent idea and he had encouraged the Gulf States to look at Asia as well as the United States as a model for economic development.

Israel and Palestine

 $\P$ 7. (C) From May 19-20, SM Goh will be visiting Israel and Palestine. The Deputy Secretary commented that Singapore was in a unique position to share perspectives with Israel

since they both understood the problem of lacking strategic depth. Asked about Palestinian Authority leader Mahmoud Abbas, the Deputy Secretary said that he faces a number of challenges in building political support on top of the electoral legitimacy he won in the Presidential election. Both Abbas and PM Sharon will need help and support. The main questions were whether he could be firm enough and control the security services.

Islam in Malaysia

18. (C) Noting that Malaysia was another part of his brief, SM Goh said that Malaysian Prime Minister Abdullah Badawi was a good man to work with and wanted to make Malaysia a modern and moderate Islamic country. He was concerned, however, that introducing Islam into the political arena was a mistake and could become a problem in the future. Defense Minister Teo observed that it was self-defeating for UMNO to engage in a "holier than thou" contest with the Islamic party (PAS).

Hope for Indonesia

- ¶9. (C) Indonesia had its best chance to move forward and its best leadership team since Suharto, observed SM Goh. President Yudhoyono had the vision and character to restore Indonesia. It was unclear, however, if he had the strength to do so and would move fast enough. Vice President Jusuf Kalla was more decisive, but lacked Yudhoyono's international perspective. If they complemented each other, they could make a good team. At this moment, they appeared to be working together, although their respective supporters were jockeying for position, noted Defense Minister Teo.
- 110. (C) Teo added that it was important to institutionalize "outward thinking" in Indonesia, especially in the armed forces (TNI). In the late 1990's, the TNI did not consider the United States to be a possible threat. Because it had been cut off from contact with the United States for so many years, however, it had grown increasingly suspicious of the United States. In some Indonesian military planning scenarios, the United States was rated a higher potential threat than China.

Maritime Security

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111. (C) The Deputy Secretary said he had discussed maritime security with both Indonesia and Malaysia. Indonesia appeared interested in assistance to improve its maritime security capabilities. Malaysia was too, and it also saw the benefits of real-time information sharing. Teo noted that the foreign ministers of the three littoral states were planning to meet soon to discuss maritime security. There had been a historic tension between the three about how to deal with the Malacca Strait. Singapore wanted the International Maritime Organization (IMO) to play a greater role in enhancing maritime security, while Malaysia and Indonesia wanted to limit the issue to the three littorals.

China and Cross-Strait Relations

112. (C) China's senior leadership was focused on the country's internal economic development, commented SM Goh. They did not want any external problems to distract them, especially any problems with the United States. While the economy was in good shape, there were increasing internal stresses due to the divergence between the economically advanced coastal regions and the interior. The Deputy Secretary noted that China was under pressure to make major

SIPDIS economic policy changes, such as to the renminbi exchange rate. It was a new member of the international economic system, but it had to face the burdens of being a major

113. (C) Nine months ago, Singapore was very worried about the possibility of cross-Strait conflict, but the danger point had now passed, said SM Goh. President Chen Shui-bian had been boxed in by domestic unhappiness with his pro-independence moves, President Bush's statement on the limits to USG support, Beijing's Anti-Secession Law, and the visits to the PRC by opposition leaders Lien Chan and James Soong. The February U.S.-Japan statement had also helped stabilize the cross-Strait situation.